

To the Members of the California State Assembly:

I am returning AB 2594 without my signature.

If this bill was signed into law, it would be in conflict with the recently enacted budget trailer legislation. By allowing redevelopment agencies to use tax increment revenue to purchase, assume, or refinance nontraditional and subprime mortgages, the bill would reduce the tax increment available for transfer to the Educational Revenue Augmentation Funds, as the budget trailer legislation requires.

For this reason, I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger